UNITED STATES OF AMERICA
Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2000) Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO MAGAZINE PUBLISHERS OF AMERICA
WITNESS: ANTOINETTE CROWDER (OCA/MPA-T5-1-9)
JUNE 19, 2000

Pursuant to sections 26 and 27 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-14 dated January 24, 2000, are hereby incorporated by reference.

Respectfully submitted,

Emmett Rand Costich

TED P. GERARDEN
Director
Office of the Consumer Advocate

EMMETT RAND COSTICH
Attorney

1333 H Street, N.W.
Washington, D.C. 20268-0001
(202) 789-6830; Fax (202) 789-6819

OCA/MPA-T5-1. Please refer to your testimony at page 5, lines 12 through 13.

(a) Please confirm that if the Commission were to reject the use of the ES data for ratemaking purposes, it is your testimony that the Commission should employ the approach for analyzing load-time variability and attributing load-time costs exactly as it outlined in the Docket No. R97-1, Opinion and Recommended Decision. If you do not confirm, please explain in detail the approach you recommend.

(b) If the Commission were to use the ES data to develop out-of-office time proportions, is it your testimony that the Commission should employ the proportions exactly as presented in Table 3 of Witness Baron's testimony (USPS-T-12, p. 35)?. If no, please identify what adjustments to the data you believe are required and the alternative street-time proportions that these adjustments would yield.

OCA/MPA-T5-2. Please refer to your testimony at page 5, lines 13 through 16, where you recommend that if the Commission chooses to use the ES data to develop carrier street-time proportions, it should likewise employ the regression equations developed by the Postal Service using these data (i.e., the ES variability model) to estimate load-time volume variability.

(a) Are you recommending that the Commission employ the regression specification and related elasticities exactly as presented in Tables 3 and 4 (pp. 10 and 11) from the Postal Service's LR-I-310? If yes, please explain fully why you believe this particular specification best captures load-time variability if the ES-based allocations are used. If no, please explain what alternative specification of the regression you would employ and why.

(b) Have you conducted any evaluation or diagnostic tests to assess the accuracy and appropriateness of the ES variability model? If yes, please describe these activities in detail and provide the results of your review; please also provide any and all notes, workpapers, spreadsheets, or other written documentation of your evaluation of the ES variability model. If no, why not?

(c) Have you evaluated total accrued load-time predicted by the ES variability model using average FY1998 CCS values for the volume terms? If yes, please provide the results of that evaluation. If no, why not?

(d) Have you estimated load-time elasticities from the ES variability model using average FY1998 CCS values for the volume terms? If yes, please provide these elasticity estimates.

(e) Do you agree that, if the ES variability model is employed for ratemaking purposes, the load time elasticities should be calculated using up-to-date volume information? Please explain your answer, yes or no.

(f) Please confirm that the ES dataset does not include data on mail volumes collected at a stop or along an entire route? If confirmed, do you agree that the ES variability model likely understates load time volume variability given that the LTV regressions yield a positive elasticity of load time with respect to collected volume? Please explain your answer fully.

OCA/MPA-T5-3. Please refer to your testimony at page 28.

(a) Please confirm that the sample design and the actual sample of routes from the 1986 Street Time Sampling (STS) survey appropriately account for the six route/carrier characteristics (at lines 7 through 15) that you argue are critical to

generating accurate street-time proportions. If not confirmed, please identify how the STS sample design and resulting sample fail to meet these criteria.

(b) Were the sampled routes in the STS study selected entirely at random?

(c) Please confirm that the sample design and the actual sample of routes from the 1985 LTV study appropriately account for the six route/carrier characteristics (at lines 7 through 15) that you argue are critical to generating accurate street-time proportions. If not confirmed, please identify how the LTV sample design and resulting sample fail to meet these criteria.

(d) Were the sampled routes in the LTV study selected entirely at random?

(e) Please provide the unweighted sampling ratio of the STS sample of routes relative to total Postal Service routes.

(f) Please provide the unweighted sampling ratio of the LTV sample of routes relative to total Postal Service routes.

OCA/MPA-T5-4. Please confirm that in the STS study, the carriers self-reported their activities after being paged at three different times along a sampled route.

(a) If not confirmed, please describe how the data were collected in the STS study.

(b) Assuming the above is confirmed, were the carriers on STS sampled routes given thorough orientation classes, written instructions, and definitions of terms about how to interpret and record their work sampling observations?

(1) If yes, please describe these training activities and materials.

(2) Did one individual act as the common instructor for all the data collectors participating in the STS?

(c) Did you investigate whether the STS database used to generate the street-time proportions excluded any data collected during the actual study? If yes, what were the results of your investigation? If no, why not?

OCA/MPA-T5-5. Concerning the development and implementation of the 1985 LTV study:

(a) Did you investigate the rate of turnover of data collectors that participated in this study? If yes, what were the results of your investigation? If no, why not?

(b) Did you investigate the training regimen given to data collectors in this study? If yes, what were the results of your investigation? If no, why not?

(c) Did you investigate whether the LTV database used to generate the LTV regressions excluded any data collected during the actual study? If yes, what were the results of your investigation? If no, why not?

OCA/MPA-T5-6. If one were to generate an entirely random sample of all routes that exist in the postal system, would you expect that routes with lower than average volume would be over-represented in the sample? Please explain your answer fully.

OCA/MPA-T5-7. Are average total load-time and load-time volume variability likely to differ significantly between residential loop and residential curb route types? Please explain your answer fully.

OCA/MPA-T5-8. In Section IV of your testimony (pp. 34 through 40), you argue that operational changes alone cannot explain the differences in street-time proportions between the STS and ES studies. By inference, are you indicating that the 1986 STS

study yields more accurate street-time percentages than does the ES study? Please explain your answer fully.

OCA/MPA-T5-9. Please refer to the table that appears at page 34, line 4, of your testimony. This table compares the street-time percentages from the ES and STS studies. Please add a fourth column to this table that provides the street-time percentages for each category as you would impute them from the LTV study.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.

Jennie Wallace

Jennie Wallace

Washington, D.C. 20268-0001
June 19, 2000